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ANNUAL REPORT

OF

THE NASH MOTORS COMPANY

(MARYLAND CORPORATION)

FISCAL YEAR ENDED NOVEMBER 30, 1933

TO THE STOCKHOLDERS:

Attached you will find the Balance Sheet and Profit and Loss statement of your company for the fiscal year ending November 30, 1933.

Net results from operations for the year from all sources, after deducting all expenses, reserves, depreciation, State and Federal taxes, show a loss of $1,188,863.06. This loss is determined after charging $995,478.11 in respect to depreciation of the physical properties.

In arriving at the figures presented in the annual report, it should be noted that the Nash Motors stock held in the treasury, United States Government securities, and inventories of every nature were taken at the lower of cost or market. There was paid out by the company in dividends during the year $1,984,650.00 in cash. The year's operations were closed with a balance amounting to $29,915,368.22 in cash and United States Government securities.

The limited amount of business transacted by your company in the year 1933, which accounts for the loss in the year's operations, was occasioned partly by the fact that the company, anticipating improved economic conditions during 1934, expended a great deal of time and money for tools, dies, manufacturing equipment, etc., and the complete rearrangement and modernization of plants in preparation for the 1934 line of automobiles.

The public has given an enthusiastic reception to our new products as evidenced by the fact that our December shipments were the largest we ever made in the month of December since 1926. During the past year your company after careful consideration and preparation has taken steps to enter the field with a lower priced automobile than it has heretofore built. This automobile will be produced and marketed under the name "LaFayette." Sample cars are being displayed for the first time at the National Automobile Show at New York. The management is optimistic as to the results that may be expected from the company's 1934 operations with the introduction of the new "LaFayette" and the outstanding line of "Nash" cars that was announced in the forepart of November, 1933.

By order of the Board of Directors,

CHARLES W. NASH,
Chairman.

January 10, 1934.

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BALANCE SHEET AS AT NOVEMBER 30, 1933

ASSETS

CURRENT ASSETS:		
Cash		$ 2,374,969.07
U. S. Government Securities—at cost or market, whichever the lower		27,540,399.15
TOTAL CASH AND U. S. GOVERNMENT SECURITIES		$29,915,368.22
Notes Receivable		102,500.00
Accounts Receivable, less Reserve		671,123.58
Accrued Interest Receivable		424,871.58
Inventories of Raw Materials, Work in Process and Finished Product—at cost or market, whichever the lower		2,077,014.20
(Of the foregoing $1,320,848.15 is covered by a physical inventory as taken by the Management, while the balance is based on factory records)		
TOTAL CURRENT ASSETS		$33,190,877.58
Prepaid Insurance and Royalties		47,121.72
INVESTMENTS:		
Treasury Stock—83,800 shares—at cost, which was less than market at November 30, 1933	$ 1,578,076.00	
Capital Stock of Seaman Body Corporation (an Associated Company) and of sundry small Subsidiaries, wholly or partly owned—at cost	1,013,931.44	
(The total of the net asset values of these stocks is materially in excess of the cost as above stated)		
Other Investments—at cost, less Reserve	459,488.78	3,051,496.22
Real Estate, Plant and Equipment (including closed Plant at Milwaukee)—at cost	$13,032,374.51	
Less Reserve for Depreciation	7,619,325.57	5,413,048.94
Goodwill		1.00
TOTAL		$41,702,545.46

LIABILITIES

CURRENT LIABILITIES:		
Accounts Payable, including Equipment Obligations, and Accrued Expenses		$ 1,938,435.38
Distributors' and Dealers' Credit Balances		168,048.52
Federal Excise and Local Taxes		205,857.20
TOTAL CURRENT LIABILITIES		$ 2,312,341.10
RESERVES:		
Reserve for Contingencies	$ 1,504,180.14	
Sundry Reserves	205,551.50	1,709,731.64
CAPITAL STOCK:		
Common Stock, without Par Value—Authorized and Issued —2,730,000 shares		13,887,000.00
SURPLUS:		
Initial Surplus	$ 839,908.99	
Earned Surplus	22,953,563.73	23,793,472.72
Contingent Liabilities—None Reported		
TOTAL		$41,702,545.46

INCOME AND SURPLUS ACCOUNT

FOR THE YEAR ENDED NOVEMBER 30, 1933

Surplus, November 30, 1932			$26,301,315.88
Sales of Automobiles, Parts and Other Merchandise, less Returns		$ 8,983,974.03	
Cost of Automobiles, Parts and Other Merchandise Sold, after Charging Operating Expenses (other than Depreciation), Maintenance of Physical Properties and Selling and Administrative Expenses	$10,024,052.47		
Depreciation of Property, Plant and Equipment	912,725.65	10,936,778.12	
Net Loss from Operations		$ 1,952,804.09	
Other Income, less Charges, including Depreciation of Non-operating Property $82,752.46		763,941.03	
Net Deficit for Year		*$ 1,188,863.06	
Deduct Direct Credits to Surplus, Net:			
Adjustment of book value of Treasury Stock to cost, which is lower than market at November 30, 1933, the adjustment arising from fact that market at November 30, 1932, was less than cost	$ 562,001.00		
Other Non-Income Credits	176,122.00		
TOTAL CREDITS	$ 738,123.00		
Less Adjustment of book value of U. S. Government Securities on basis of cost or market value, whichever the lower	72,453.10	665,669.90	
Reduction in Surplus during year, before Dividends			523,198.16
			$25,778,122.72
Cash Dividends on Common Stock		$ 2,047,500.00	
Less Dividends on Treasury Stock		62,850.00	1,984,650.00
Surplus, November 30, 1933			$23,793,472.72

*In accordance with the Company's practice, does not include operating results of Seaman Body Corporation (an Associated Company) or of sundry small Subsidiaries, wholly or partly owned.

CHICAGO, January 9, 1934.

MR. CHARLES W. NASH, Chairman Board of Directors,
The Nash Motors Company,
Kenosha, Wisconsin.

We have examined the accounts of The Nash Motors Company for the year ended November 30, 1933. In our opinion, based on our examination and information furnished to us, the accompanying Balance Sheet and relative Income and Surplus Account set forth the financial condition of the Company as at November 30, 1933, and the result of the operations for the year.

PEAT, MARWICK, MITCHELL & Co.

OFFICERS

CHARLES W. NASH
Chairman of the Board

EARL H. McCARTY
President

C. HASCALL BLISS
ROBERT F. HERRICK
N. ERIC WAHLBERG
ROBERT B. ELLIOTT
HAROLD E. LONG
JAMES T. WILSON
Vice-Presidents

GEORGE H. EDDY
Treasurer

HORACE J. MELLUM
Secretary

DIRECTORS

CHARLES W. NASH, *Chairman*

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GEORGE C. LEE
CHARLES B. WARREN
EMORY W. CLARK
EARL H. McCARTY
JAMES T. WILSON
ROBERT F. HERRICK
HAROLD H. SEAMAN